

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6321
BILL NUMBER: SB 111

NOTE PREPARED: Dec 6, 2002
BILL AMENDED:

SUBJECT: Health Coverage for Women.

FIRST AUTHOR: Sen. Antich
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires group insurance for public employees, group insurers, and health maintenance organizations to provide coverage for: (1) annual examinations for a woman who is at least 18 years of age; and (2) bone density testing for a woman who is at least 45 years of age. The bill requires insurers, health maintenance organizations, and group health coverage programs for public employees to provide coverage for hormone replacement therapy and outpatient prescription contraceptive drugs.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The maximum cost of this bill is estimated to be \$2 M per year. The state may choose to absorb any additional costs of these provisions or to pass these costs on to employees in the form of higher deductibles, higher premiums, or by limiting other conditions covered. The estimated costs are presented according to new benefit below.

Annual Examinations: No additional cost. The state employee health plans already provide these services.

Bone Density Testing: The cost of providing this benefit is approximately \$200,000 for annual screening and \$71,000 for screening every five years. Two of the state's insurance providers indicate that the benefit would increase premium rates. Four health insurance providers already cover this benefit for state employees.

Hormone Replacement and Contraceptives: This provision is estimated to cost approximately \$1.8 M per year. There are currently six health care insurance plans for state employees. Two of the six plans responded that this coverage would increase premiums. There are a total of approximately 36,000 employees enrolled

in state employee health plans. It is estimated that state employee plan cost for single coverage would increase \$24 per year and \$152 per year on average for family coverage.

Explanation of State Revenues:

Explanation of Local Expenditures: School corporations and local governments purchasing health benefit coverage on their own may incur increased premiums due to the mandated benefits in this bill. Local government groups enrolled in the Local Unit Government Employee (LUGE) health plan may experience increased rates as well.

The LUGE participants have the same benefits as state employees and are part of a separate risk pool. Cost to the LUGE will be disproportionately higher than that for state employees, due in part to a smaller risk pool and adverse selection. There are currently 28 local government groups enrolled in the plan providing coverage for 868 employees.

It is unknown if local groups would absorb any additional costs resulting from this bill or pass the costs on to employees in the form of higher deductibles, higher premiums, or by limiting other conditions covered. Cost sharing of health benefit premiums varies widely by locality.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All local units of government and local school districts that do not provide these services currently.

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